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FM AMEMBASSY KYIV
TO RUEHC/SECSTATE WASHDC PRIORITY 4802
INFO RUEHZG/NATO EU COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 KYIV 000191

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E.O. 12958: DECL: 01/29/2018 TAGS: <u>PGOV PREL PINR UP</u>

SUBJECT: UKRAINE: RADA SESSION CLOSES WITH A WHIMPER

REF: A. KYIV 000097 *B. KYIV 00102

Classified By: Political Counselor Kent Logsdon for reasons 1.4(b,d).

- 11. (C) Summary. The final weeks of the new Rada's first session ended disappointingly with the Party of Regions blockading the rostrum and the coalition unable to muster a majority to pass any legislation or make personnel appointments. With over 700 draft bills at some stage of the legislative process -- at least 17 of them designated urgent by the President -- the parliament has its work cut out for it in the spring. Although the Rada voted to stay in session an extra week to get more work done, closing on January 25 instead of the 18th, nothing was accomplished, in large part because Regions seized on the surprise release of the NATO MAP letter late on January 15 (ref A) to slow down the parliament's work. Speaker Yatsenyuk has appeared very frustrated, trying to get Regions back into the session hall on the one hand and find 226 votes on key issues on the other. During this session, the Rada did pass a budget and it ratified two important agreements with the EU -- on a simplified visa regime and a readmission treaty -- but most of the key legislative initiatives proposed by the President as part of the initial coalition agreement, such as removing deputy's immunity, amending the law on the Cabinet of Ministers, and improving local government remain frozen.
- 12. (C) Comment. The coalition has not been able to capitalize on the momentum and energy of the new Cabinet. At the same time, Regions unwillingness thus far to be a constructive opposition will make broader consensus even more difficult. Some are interpreting the delaying tactics as part of a political game aimed at the eventual formation of a broad coalition between Regions and at least some part of the President's OU-PSD bloc. The current stalemate may make the Lytvyn Bloc even more important, although the smallest Rada faction has yet to cast a decisive vote. The inflow of congressional delegations into Kyiv in the first half of 2008 will be helpful in keeping Ukrainian parliamentarians engaged and focused on legislating. End summary and comment.

Weak Coalition Starts Off January on Bad Foot

- 13. (SBU) The Rada came back from winter holidays and was immediately hamstrung. As of January 14, President Yushchenko had submitted 17 bills marked with "urgent status" and many expected the Rada to move quickly to consider these. However, things did not go well from there. To begin with, on January 15 the coalition did not have the 226 votes needed to approve nominations for heads of the SBU, State Property Fund, Anti-Monopoly Committee, and Deputy Prime Minister for Energy, leading to the indefinite postponement of the nominations until next session.
- ¶4. (SBU) However, with the participation of Regions, the Rada

did manage to pass several laws on January 15. A total of 374 MPs voted to extend the Rada session an extra day marking the first time Regions voted since the new Rada convened. The two most important acts of the day were the ratification of the new Ukraine-EU agreement on a simplified visa regime (413 votes in favor) and ratification of the Ukraine-EU readmission agreement, which allows the EU to send illegal immigrants who reached the EU via Ukraine back to Ukraine regardless of country of origin, which squeaked through with 226 votes thanks to the support of two Regions MPs. They also approved a slate of early local elections (required for a variety of reasons from recall votes to deaths in office) and a list of upcoming parliamentary hearings on a variety of subjects. A proposal from the Lytvyn Bloc to continue the moratorium on land sales and a bill on amending the law on the election of national deputies registered by OU-PSD both failed.

Letter Leaks, Opposition Storms Rostrum

¶5. (SBU) The Rada shut down entirely on January 18, the first day of plenary following the late January 15 publication of the letter to NATO requesting a MAP signed by the President, PM, and Speaker. Regions MPs took to the floor to criticize the letter and Yatsenyuk's role in signing it. Regions MP Shufrych said they would start an initiative to remove Yatsenyuk as Speaker unless he withdrew his signature. When Yatsenyuk pulled out the constitution and other legislation to defend his signature as legal and valid, Regions MPs rushed the Speaker's dais and rostrum, pulling Yatsenyuk's microphone away from him. Eventually the Speaker adjourned the session and left the hall.

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- 16. (SBU) For the next week, the Rada worked in committees until January 25, the final scheduled day of the session. However, because of Regions' blockage of the rostrum, Yatsenyuk was not able to even open the plenary and he never formally closed it. The Speaker has spent the past few weeks seeking Regions' agreement to return to work, through the possible adoption of a resolution clarifying Ukrainian intentions regarding NATO membership. As a result of these discussions, three draft resolutions on NATO were submitted -- one from the coalition, one from Regions, and one from Yatsenyuk. All state in one form or another than a referendum is necessary before NATO membership. Nevertheless, Regions refused to unblock the rostrum and said that they were now protesting not only the MAP letter, but also demanding Interior Minister Lutsenko be dismissed for slapping Kyiv mayor Chernovetskiy on January 18 as the two exited an NSDC meeting. Yatsenyuk held a short press conference where he said that he would not close the fall session; instead they will continue to work in committees because there are more than 700 piece of legislation sitting in the Rada. (Note. The Rada later announced that Yatsenyuk will officially close the fall session on February 5, then immediately open the spring session, however most MPs are on vacation. End note.)
- 17. (SBU) Deputy OU-PSD faction head Stetskiv (from PSD) told the press that the coalition would consider using force to break up Regions' blockade or to move the Rada session to another location if the Rada could not work. Yatsenyuk publicly asked them not to do so although he did instruct the Rada Secretariat to withhold salaries from MPs not participating in plenary session, thereby enforcing for the first time ever a clause in the law on national deputies which gives the Speaker such power. On Inter TV on January 27, Yatsenyuk said that if the opposition does not stop blocking the Rada's work, he will have to take "appropriate measures," although he did not specify what that would be. The reaction of Regions and the Communists to OU-PSD suggestions that the Rada could meet elsewhere to avoid the Regions' blockade was not surprising, as they called for

Delay A Sign of More Political Games?

- 17. (C) Regions MP Makeyenko told us January 25 that Regions was not really blockading the rostrum because it was upset about the NATO letter -- it was just a "political show" to slow work down. He said the MPs in his faction seemed far too relaxed to really be upset. Makeyenko also suggested that Yushchenko had instructed Yatsenyuk to delay proceedings, because the President did not want to see Zhvaniya and Haiduk confirmed into their new positions. Stetskiv implied in a radio interview that Yushchenko and Baloha were encouraging some coalition MPs to prolong the stalemate in the Rada and that when the President publicly criticizes the PM, he is sending a signal that a broad coalition between Regions and the majority of OU-PSD is still in play.
- 18. (C) Comment. PM Tymoshenko and respected journalist Mostova also recently told A/S Fried that Yushchenko and Yanukovych were still negotiating a possible broad coalition, which is certainly possible (septel). However, from our recent trips to the Rada and the Fried-Yatsenyuk meeting, Yatsenyuk seems to be under a lot of stress and really resents the Regions blockade, which makes it somewhat hard to buy that he is complicit. End comment.

Coalition Remains Shaky

19. (C) Continued sniping within the coalition, especially within OU-PSD, also has caused problems. In addition, to the inability to get a majority present to hold confirmation votes -- and ongoing fights over two of the nominees, Zhvaniya as head of the Anti-Monopoly Committee and Haiduk as DPM -- MP Kril, a Baloha ally in OU-PSD, said that the coalition should not vote for the government program until Yushchenko's 12 laws from the coalition agreement are passed. A BYuT MP also told us that they had agreed not to go back to the confirmation votes until they had made progress on presidential legislation. An aide to new OU-PSD MP Aryev told us that there was discord within OU-PSD regarding strategy. In addition, she believed that Tymoshenko would turn on Lutsenko if he pushed her too hard, and no other ministers from the coalition would stand up for him.

Other Comments From the Rada

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- 110. (C) Lytvyn Bloc MP and Lytvyn confidant Zarubinskiy told us that his faction would have been a coalition co-founder, but had no interest in joining an already existing coalition. They would have no input at this point into the agreement or distribution of government posts, so there was no reason to join. Instead they are working hard to be responsible parliamentarians. He said they had gotten the budget through its first reading, but did not like the end product, so did not vote for it. However, they will help amend the budget. He thought that Yatsenyuk had no legal right to sign the MAP letter to NATO on behalf of the Rada. (Note. Yushchenko recently held a meeting with Lytvyn seeking the bloc's for support on key bills, like the CabMin law. End note.)
- 111. (C) Volodymyr Vecherko -- the only Regions MP on the EuroIntegration Committee -- told us that Bohatyryova had made the right decision in taking the NSDC position, although he added that she made the choice on her own. He said she still has friends in Regions, people who are "clever, moderate, and business-oriented" and that she is the link between them and the Presidential Secretariat. He also thought it had been premature to send the MAP letter to NATO headquarters. The government should have been building

support at home, but has not. Vecherko also said that within Regions there was a small circle of "narrow-minded people who do not show their faces" and who pay hotheads like Vasyl Kyselov and Nestor Shufrych to do their talking for them. The latter, he said, were good speakers and will talk about anything they are told to, although they are idiots.

What Awaits the Rada in the Spring

- 112. (SBU) The Rada will face a heavy agenda in the spring, with the President and PM pushing for fast votes on a variety of issues. Of highest priority when the Rada reconvenes will probably be ratification of WTO membership and the government program. There is also a bill lifting MP's immunity submitted by the coalition awaiting consideration. OU-PSD MP Zvarych told the press that the coalition wanted the first vote done by January 25, but it did not take place. (Embassy Note: Because this is a constitutional amendment, which require Rada votes in two separate sessions, and they did not get to it in the fall session, the earliest immunity could actually be lifted would be in the fall of 2008. End Note.) Regions MP Miroshnychenko will chair an ad hoc committee investigating Chernovetskiy's tenure as mayor and there will be Rada hearings February 7-8 on the Chernovetskiy-Lutsenko incident. The Rada will likely also consider a coalition resolution of no confidence in Prosecutor General Medvedko.
- 13. (SBU) The President is still pushing his laundry list of bills (ref B), the CabMin law at the top. He already received his first setback, when the National Security and Defense Committee -- chaired by OU-PSD member and former Defense Minister Hrytsenko -- voted almost unanimously to reject the President's bill on creating a National Guard out of the existing Ministry of Interior armed forces that would report directly to the President. Hrytsenko said the draft law was raw and unfinished, and suggested the Presidential Secretariat work on it some more and resubmit it. The bill

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could still go to the floor and be passed if it could muster enough votes, but the Committee will report that all but one member voted against the law (the other member abstained), which will weaken its chances for support.

114. (U) Visit Embassy Kyiv's classified website: www.state.sgov.gov/p/eur/kiev.
Taylor